

ALABAMA DEPARTMENT OF REVENUE
Corporation Income Tax ReturnCY
FY
SY **1997**

For the year January 1 – December 31, 1997, or other tax year beginning _____, 1997, ending _____, 19_____

► Important**Check applicable box:** Initial return Final return Amended return

► FEDERAL BUSINESS CODE NUMBER		► FEDERAL EMPLOYER IDENTIFICATION NUMBER	
► NAME			
► ADDRESS			
► CITY, STATE, COUNTRY (IF NOT U.S.)		► 9-DIGIT ZIP CODE	
► STATE OF INCORPORATION	DATE OF INCORPORATION		DATE QUALIFIED IN ALABAMA
NATURE OF BUSINESS IN ALABAMA		If you filed a return for 1996 and the above address is different, check here ► <input type="checkbox"/>	
Does this company file as part of a consolidated Federal return? If yes, enter name and FEIN of common parent corporation.		► Yes <input type="checkbox"/> No <input type="checkbox"/>	
► Name		► FEIN	
Filing Status: (see instructions)		1. <input type="checkbox"/> Corporation operating only in Alabama 2. <input type="checkbox"/> Multistate Corporation – Apportionment 3. <input type="checkbox"/> Multistate Corporation – Percentage of Sales 4. <input type="checkbox"/> Multistate Corporation – Separate (Direct) Accounting (Prior written approval required)	

Will this corporation file as an S Corporation with the IRS next year?

► Yes No

Was federal form 1120-REIT filed?

► Yes No**DEPARTMENT USE ONLY**

ADDITIONAL TAX _____

PENALTY/INT. _____

DATE _____

REFUND _____

REV. BY _____

1	FEDERAL TAXABLE INCOME before net operating loss and special deductions.....	► 1	
2	Reconciliation adjustments to Alabama basis (from line 37, Schedule A).....	► 2	
3	Total net income adjusted to Alabama basis (add lines 1 and 2) If you operated only in Alabama, omit lines 4 through 10c, and enter this amount on line 11	► 3	
4	Net nonbusiness (income)/loss (from Column E, Schedule C).....	► 4	
5	Special deductions (from line 10c below).....	► 5	
6	Apportionable income (add lines 3, 4, and 5).....	► 6	
7	Alabama apportionment factor (from line 26, Schedule D-1).....	► 7	%
8	Income apportioned to Alabama (multiply line 6 by line 7)	► 8	
9	Net nonbusiness income/(loss) (from Column F, Schedule C).....	► 9	
10	Special deductions: a. Pollution control deduction (from line 4, Schedule B)	► 10a	
	b. Expense of removing barriers to the handicapped from property in Ala.	► 10b	
	c. Total special deductions (add lines 10a and 10b).....	► 10c	
11	Alabama income before federal income tax deduction (line 8 plus line 9 less line 10c).....	► 11	
12	Federal income tax deduction /(refund) (from line 7, Schedule E).....	► 12	
13	Alabama income before net operating loss (NOL) carryforward (line 11 less line 12)	► 13	
14	Alabama NOL deduction (Do not exceed line 13 – attach schedule)	► 14	
15	Alabama taxable income (line 13 less line 14).....	► 15	
16	ALABAMA INCOME TAX (multiply line 15 by 5% or from line 4, Schedule D-2)	► 16	
17	Tax Payments, Credits, Exemptions, and Deferral: a. 1997 estimated tax payments and amounts applied from 1996 return.....	► 17a	
	b. Payments made with extension.....	► 17b	
	c. Payments prior to adjustment (see instructions).....	► 17c	
	d. Credits/Exemptions (from line 7, Schedule F)	► 17d	
	e. LIFO Reserve Tax Deferral (see instructions)	► 17e	
	f. Total Payments, Credits, and Deferral (add lines 17a, 17b, 17c, 17d, and 17e).....	► 17f	
18	NET TAX DUE (subtract line 17f from line 16).....	► 18	
19	OVERPAYMENT (subtract line 16 from line 17f).....	► 19	
a	Amount to be credited to 1998 estimated tax.....	► 19a	
b	Contribution to Penny Trust Fund.....	► 19b	
c	Amount to be refunded	► 19c	
(DEPARTMENT USE ONLY)			
20	Penalty for late filing and/or late payment (see instructions)	► 20	
21	Interest due (Internal Revenue Code rate from unextended due date)	► 21	
22	TOTAL AMOUNT DUE (add lines 18, 20, and 21).....	► 22	
23	AMOUNT REMITTED WITH THIS RETURN	► 23	
a	If payment made through Electronic Funds Transfer (EFT), check this box	► <input type="checkbox"/>	

UNLESS A COPY OF THE FEDERAL RETURN IS ATTACHED, THIS RETURN IS INCOMPLETE

Please Sign Here

UNDER PENALTIES OF PERJURY, I declare that I have examined this return and accompanying schedules and statements and, to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Your Signature

Title

Date

Paid Preparer's Use Only

Preparer's signature

Date

Check if self-employed Preparer's social security no.

Firm's name (or yours, if self-employed) _____ and address _____

E.I. No. ZIP Code

Schedule A**Reconciliation Adjustments of Federal Net Income to Alabama Net Income**

The taxpayer should use this schedule to compute its entire net income ("everywhere" net income) applying Alabama tax laws and regulations. A list of items frequently encountered in reconciling federal net income before net operating loss and special deductions to total income from all locations on an Alabama basis before federal income tax and net operating loss carryforward is provided below. Blank lines are provided for additional items.

Multistate corporations should make adjustments to income for nonapportionable items in Schedule C.

ADDITIONS

- 1 State and local income taxes.....
- 2 Foreign taxes deducted on the federal return
- 3 Total amounts of depletion deducted on the federal return (cost or percentage).....
- 4 Federally tax exempt state, county, and municipal bond interest earned everywhere.....
- 5 The balance of capital losses carried over **TO** this year on the federal return
- 6 Charitable contributions deducted on the federal return in excess of the amount allowable for Alabama
- 7 Federal depreciation taken in excess of Alabama depreciation
- 8 Alabama taxable income resulting from the change in method of accounting for bad debts (*see instructions*).....
- 9 Increase to Alabama net income resulting from IRS audit adjustments
- 10 Federal depreciation on pollution control items included on Schedule B
- 11 Handicapped barrier depreciation on property located in Alabama deducted on the federal return.....
- 12 Expense attributed to exempt interest income on line 20 below.....
- 13 LIFO reserve recapture (*see instructions*).....
- 14 Net income from foreclosure property (real estate investment trust)
- 15 _____

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- 16 Total additions (add lines 1 through 15)..... ►

DEDUCTIONS

- 17 Refunds of state and local income taxes (due to overpayment or overaccrual on the federal return)
- 18 Cost depletion on **NON** oil and gas property per Alabama § 40-18-15(a)(9) and applicable regulations
- 19 27-1/2% or cost depletion on oil and gas property per Alabama § 40-18-16 and applicable regulations
- 20 State, county, and municipal bond interest income earned in Alabama
- 21 Interest income earned on U.S. government obligations.....
- 22 Dividends which qualify under Alabama Code § 40-18-35(a) 14 or § 40-18-35(a) 15 (*see instructions*)
- 23 The balance of capital losses carried over **FROM** this year on the federal return
- 24 Alabama depreciation taken in excess of federal depreciation
- 25 Alabama depreciation allowable on IRC Section 179 property expensed on the federal return prior to 1990
- 26 Wages not deducted on the federal return due to employment credits
- 27 Decrease to Alabama net income resulting from IRS audit adjustments
- 28 Pollution control expenditures made within Alabama (*line 4, Schedule B*).....
- 29 Expense attributed to interest income on line 4 above.....
- 30 Expense of removing barriers to the handicapped from property in Alabama.....
- 31 Charitable contributions deduction allowable for Alabama in excess of amount deducted on federal return
- 32 Contributions to Alabama Industrial Development Authority
- 33 Deduction for dividends paid by a real estate investment trust.....
- 34 _____
- 35 _____

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- 36 Total deductions (add lines 17 through 35)..... ►

- 37 TOTAL RECONCILIATION ADJUSTMENTS (subtract line 36 from line 16 above)

Enter here and on line 2, page 1 (*enclose a negative amount in parentheses*)..... ►

Schedule B**Pollution Control Election**

NOTE: This election may **NOT** be made or changed **AFTER** the due date of this (original) return

Pursuant to Alabama Section 40-18-35, **Code of Alabama 1975**, taxpayer hereby elects to expense or amortize the amounts invested during the taxable year in all devices, facilities, or structures and all identifiable components thereof or materials for use therein, used or placed in operation within the State of Alabama, acquired or constructed primarily for the control, reduction or elimination of air or water pollution as set out below.

- 1 Total amount of pollution control expenditures made in Alabama during the tax year (*attach itemized supporting schedule*).....
This above amount is to be: Expensed Amortized over _____ years
- 2 Amount from line 1 expensed or amortized this year
- 3 Amount amortized this year for prior period expenditures (*attach itemized supporting schedule*)
- 4 **TOTAL POLLUTION CONTROL** deduction on Alabama facilities (*add lines 2 and 3*). Enter amount here and on line 28, Schedule A. Also, Multistate Corporations apportioning income enter this amount on line 10a, page 1

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Schedule C**Allocation of Nonbusiness Income, Loss, and Expense – Use only if you checked Filing Status 2, page 1**

Identify by account name and amount, all items of nonbusiness income, loss and expense removed from apportionable income and those items which are directly allocable to Alabama. **Adjustment(s) must also be made for any proration of expenses under Alabama Income Tax Regulation 810-27-1-4-01(d)**, which states, "Any allowable deduction that is applicable to both business and nonbusiness income of the taxpayer shall be prorated to each class of income in determining income subject to tax as provided..." (See instructions.)

	ALLOCABLE GROSS INCOME / LOSS		RELATED EXPENSE		NET OF RELATED EXPENSE	
DIRECTLY ALLOCABLE ITEMS OF NONBUSINESS INCOME OR LOSS	Column A Everywhere	Column B Alabama	Column C Everywhere	Column D Alabama	Column E Everywhere	Column F Alabama
1a						
b						
c						
d						
e						
f						
g						
h						
i						
j						
2 NET NONBUSINESS INCOME / LOSS					Column E	Column F

Schedule D-1 Apportionment Factor – Use only if you checked Filing Status 2, page 1

TANGIBLE PROPERTY AT COST FOR PRODUCTION OF BUSINESS INCOME	ALABAMA		EVERYWHERE	
	BEGINNING OF YEAR	END OF YEAR	BEGINNING OF YEAR	END OF YEAR
1 Inventories				
2 Land				
3 Furniture and fixtures				
4 Machinery and equipment				
5 Buildings and leasehold improvements				
6 IDB/IRB property (at cost)				
7 Government property (at FMV)				
8				
9 Less Construction in progress (if included)				
10 Totals				
11 Average owned property (BOY + EOY ÷ 2)				
12 Annual rental expense	x8 =		x8 =	
13 Total average property	13a		13b	
SALARIES, WAGES, COMMISSIONS AND OTHER COMPENSATION RELATED TO THE PRODUCTION OF BUSINESS INCOME				
15 Alabama payroll factor — 15a ÷ 15b = 15c	15a	ALABAMA	15b EVERWHERE	15c
SALES		ALABAMA	EVERWHERE	
16 Destination sales (see instructions)				
17 Origin sales (see instructions)				
18 Total gross receipts from sales				
19 Dividends				
20 Interest				
21 Rents				
22 Royalties				
23 Gross proceeds from capital and ordinary gains				
24 Other (Federal 1120, line _____)	25a	25b	25c ►	%
25 Alabama sales factor — 25a ÷ 25b = line 25c				
26 Sum of lines 14, 15c, and 25c ÷ 3 = ALABAMA APPORTIONMENT FACTOR (Enter here and on line 7, page 1)			26 ►	%

Schedule D-2 Percentage of Sales – Use only if you checked Filing Status 3, page 1

	ALABAMA	EVERWHERE
1 Destination Sales		
2 Origin Sales		
3 Total gross receipts from sales		
4 Tax due (multiply line 3, Alabama by .0025) (enter here and on page 1, line 16)		

Schedule E**Federal Income Tax**

- (a) If this corporation is an accrual-basis taxpayer and files a separate (nonconsolidated) federal income tax return with the IRS, enter on line 1 below the amount of federal income tax liability shown on Form 1120. Cash-basis taxpayers filing separate (nonconsolidated) federal returns should enter on line 1 below the amount of federal income tax actually paid during the year.
- (b) If this corporation is a member of an affiliated group which files a consolidated federal return, indicate the number of the election made

under IRC Section 1552. 1552(a)(1) 1552(a)(2) 1552(a)(3)

No Election Made Other _____

Attach a copy of the common parent corporation's current 1552 election letter.

Enter on line 1 the amount of the consolidated tax liability allocated to this corporation under the method indicated above. Ignore any supplemental elections under IRC Section 1502. **Attach a schedule of your computations.**

1 Federal income tax deduction to be apportioned	►	1	
Corporations not apportioning income should omit lines 2 through 4, and enter this amount on line 5.			
2 Alabama income (from line 11, page 1).....		2	
3 Adjusted total income (from line 3, page 1)		3	
4 Federal income tax apportionment factor (line 2 divided by line 3).....		4	%
5 Federal income tax deduction apportioned to Alabama (multiply line 1 by line 4).....		5	
6 Refund of federal income tax deducted in prior year(s) (see instructions).....		6	
7 NET FEDERAL INCOME TAX DEDUCTION / (REFUND) (subtract line 6 from line 5). Enter here and on line 12, page 1	►	7	

Schedule F**Credits/Exemptions Caution – See Instructions**

1 Alabama Enterprise Zone Credit/Exemptions	1	
2 Employer Education Credit.....	2	
3 Income Tax Credit	3	
4 Tax Increment Fund Payment Credit	4	
5 Coal Tax Credit.....	5	
6 Capital Tax Credit (Project Number(s) _____, _____)	6	
7 TOTAL (add lines 1 through 6). Enter here and on line 17d, page 1	7	

The following information must be entered
for the Alabama return to be complete

Other Pertinent Information

- Briefly describe your Alabama operations. _____
- List locations of property within Alabama (*cities and counties*).

- List other states in which corporation operates, if applicable.

- Indicate your tax accounting method:
 Accrual Cash Other _____
- Is this the corporation's final return? Yes No
If yes, check reason: Withdrawal from Alabama Dissolution
 Merger Reorganization
Name, address, and FEIN of the successor corporation, if any.

- Is this corporation currently in bankruptcy, liquidation, and/or receivership? Yes No (If yes, submit complete history.)
- (a) During this tax period, did this corporation own, directly or indirectly, 50% or more of the voting stock of any other corporation?
 Yes No If yes, list the name, address, and FEIN of each corporation and identify by asterisk those corporations which were subject to income tax in Alabama. If the space below is insufficient, attach a separate supporting schedule. Where applicable, this information may be provided as a supplement to the Federal Form 851 requested in item 8(a) below.

- (b) During this tax period, did any corporation, partnership, trust, or association own directly or indirectly 50% or more of YOUR stock?
 Yes No If yes, list the name and address, FEIN, and percentage owned and indicate whether the holder of your stock was subject to income tax in Alabama during this period.

- Was the owner of such voting stock other than a U.S. person?
 Yes No **Note: If "Yes," attach copy of Federal Form 5472.** If yes, enter owner's country: _____.
- Was the corporation a U.S. shareholder of any controlled foreign corporation? Yes No If yes, attach a copy of Federal Form 5471 for each such corporation.
- At any time during the tax year did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? Yes No
If yes, enter name of foreign country: _____.
(Attach a copy of Federal Form TD F 90-22.1.)
- Was the corporation the grantor of, or transferor to, a foreign trust which existed during the current tax year whether or not the corporation has any beneficial interest in it? Yes No
- If this corporation is a member of an affiliated group which files a consolidated federal return, the following information **must be provided:**
 - Copy of Federal Form 851, Affiliations Schedule. Identify by asterisk or underline the names of those corporations subject to tax in Alabama.
 - Copy of the spreadsheet of the income statements for EVERY corporation in the consolidated group.
 - Copy of consolidated Federal Form 1120, pages 1-4, as filed with the IRS.
- Enter this corporation's federal net income (shown on line 28 of Federal Form 1120) for the last three (3) years, as last determined (e.g.: per amended federal return or IRS audit).
1996 _____ 1995 _____ 1994 _____
- (a) Are you currently being audited by the IRS? Yes No
- Location of the corporate records:
Street address: _____
City: _____ State: _____ ZIP: _____
- Person to contact for information concerning this return:
Name: _____
Telephone: (_____) _____